



**COSTA MESA SANITARY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
JULY 11, 2005**

CALL TO ORDER

The Board of Directors of the Costa Mesa Sanitary District met in regular session on July 11, 2005, at 6:00 p.m. at 628 W. 19th Street, Costa Mesa.

President Ferryman called the meeting to order at 6:00 p.m.

PLEDGE OF ALLEGIANCE

Director Perry led the Pledge of Allegiance

INVOCATION

Director Woodside gave the invocation.

ROLL CALL DIRECTORS PRESENT: James Ferryman, Greg Woodside, Art Perry, Arlene Schafer, Dan Worthington

DIRECTORS ABSENT: None

STAFF PRESENT: Robin B. Hamers, Manager/District Engineer; Alan Burns, Legal Counsel; Tom Fauth, Assistant Manager; Joan Revak, Board Secretary/Program Manager/Clerk of the District; Wendy Davis, Treasurer; Sherry Kallab, Accountant; Denise Gilbert, Permit Processing Specialist; Debbie Bjornson, Permit Processing Specialist; Ron Shef, District Ordinance Enforcement Officer

OTHERS PRESENT: None



COSTA MESA DISPOSAL CPI ADJUSTMENT

Ms. Davis presented the Costa Mesa Disposal CPI Adjustment as follows:

2004-05	Trash rate per occupancy	\$8.8887
2005-06	Rate increase based on May to May CPI not to exceed 3%	.2667
2005-06	Trash rate per occupancy effective 7/1/05	\$9.1554

The estimated total contract cost is \$2,334,617. The estimate is based upon the new per occupancy rate of \$9.16 and the projected increase in the number of occupants to 21,250.

Director Woodside motioned to approve the CPI Adjustment for Costa Mesa Disposal of .2667 to \$9.1554. Director Perry seconded. Motion carried 5-0.

CR TRANSFER CPI ADJUSTMENT

Ms. Davis presented the CR Transfer, Inc. CPI Adjustment of the May to May CPI not to exceed 3% as follows:

	2005-06	2004-05	Increase/(Decrease) Amount	Increase/(Decrease) Percent
Basic Rate	\$41.22	\$40.02	\$1.20	3.00%
Landfill Fee	\$11.00	\$11.00	\$0.00	0.00%
Transfer Rate	\$52.22	\$51.02	\$1.20	3.00%

The estimated total contract cost is \$2,219,863.99 based upon this new rate and the revised tonnage estimates for FY 2005-06.

Director Perry motioned to approve the CPI Adjustment for CR Transfer of \$1.20 (3%) to \$41.22. Director Schafer seconded. Motion carried 5-0.

..... CONSENT CALENDAR.....

Director Schafer motioned to approve the Consent Calendar as presented. Director Perry seconded. Motion carried 5-0.



REPORTS

MINUTE APPROVAL

Minutes of Recycling
Committee Meeting,
June 3, 2005

The Minutes of the Recycling Committee Meeting
of June 3, 2005, were approved as distributed.

Investment Oversight
Committee Meeting
June 9, 2005

The Minutes of the Investment Oversight
Committee Meeting of June 9, 2005, were
approved as distributed.

Minutes of Regular
Meeting,
June 9, 2005

The Minutes of the Regular Meeting of June 9,
2005, were approved as distributed.

MANAGER'S REPORTS

Refunds

In accordance with Resolution No. 96-584, adopted
by the Costa Mesa Sanitary District on April 17,
1996, the following refunds were granted
subsequent to receiving evidence of outside trash
service and a signed statement from the
applicants:

Approved payment of
\$496.46 to
Mr. John E. Aschieris

Applicant: Mr. John E. Aschieris
Parcel Address: 1925 Wallace
Assessor's Parcel No. 422-271-17
Trash refund: \$451.72
Sewer refund: \$44.74
Total refund: \$496.46
Tax years: 2004/2005

Parcel is parking lot. There are no buildings or
sewers on this property.

Approved payment of
\$25.00 to
Mr. Bill Kuffler

Applicant: Mr. Bill Kuffler
Parcel Address: 951 Post Road
Assessor's Parcel No. 141-231-28

Cancelled order for additional container



Approved payment of
\$2,437.50 to
Mr. Ali Sedghi

Applicant: Mr. Ali Sedghi
Parcel Address: 134 E. Wilson (Units A & B)
Assessor's Parcel No. 422-272-11
OCSD fees: \$2,340.00
Fixture fees: 97.50
Total Refund: \$2,437.50

OCSD and fixture fees collected for construction of new SFD. Owner later brought in verification of previous SFD for this site and requested credit.

Occupancy Report and
Payment of \$188,938.21
to Costa Mesa Disposal –
June 2005

The Trash Occupancy Count documented an increase of 3 units for the occupancy report for solid waste collection as of July 1, 2005. Therefore, the total for July is 21,256.

Board directed Staff to prepare a warrant for \$188,938.21 to Costa Mesa Disposal on August 1, 2005, for July 2005 collection count of 21,256.

Monthly Spill Report to
Regional Water Quality
Control Board (RWQCB)

The Monthly Spill Report to the Regional Water Quality Control Board (RWQCB) for June 2005 was accepted as submitted.

ENGINEER'S REPORTS

Project Status Report

The Project Status Report dated July 2005 was accepted as submitted.

TREASURER'S REPORTS

Financial Report as of
May 31, 2005

The Financial Report as of May 31, 2005 was accepted as submitted.

Treasurer's Reports as of
June 30, 2005

The Treasurer's Reports as of June 30, 2005 was accepted as submitted.

Warrant 2006-1 for July
2005 in the amount of
\$522.322.17

Warrant Resolution #CMSD 2006-1 was approved, authorizing the President and Secretary to sign the warrant ratifying the payment of certain claims and specifying the funds out of which the same were paid in the amount of \$522.322.17.



Directors Expenses for the Month of June 2005 Director Compensation and Expense
Reimbursement for the Month of June 2005 were
approved and ratified as follows:

Director Ferryman: \$510.00
Director Perry: \$510.00
Director Schafer: \$1,086.95
Director Woodside: \$510.00
Director Worthington: \$680.00

..... **END OF CONSENT CALENDAR.....**

WRITTEN COMMUNICATIONS

Ms. Revak reported receiving a written communication dated June 27, 2005, from Senator Campbell to Mr. Alan Burns regarding the District's opposition to SB 926-Florez-Sewage Sludge Management.

PUBLIC COMMENTS

There was no public in attendance, no public comments made.

MANAGER'S REPORTS

STANDARDIZED TRASH CONTAINER PROGRAM REPORTS

Mr. Shef provided a monthly report for the month of June 2005. Approximately 20 courtesy flyers were distributed to residents and nine containers sprayed to cover graffiti markings.

Director Worthington inquired about a report of burned containers. Mr. Shef provided a brief report on the fire damage. Director Worthington suggested having the resident submit a claim for the containers to their insurance company.



Mr. Fauth provided an update regarding Director Worthington's report of items noted during a ride-along.

- Trucks have been numbered
- Green containers have been replaced with Costa Mesa Sanitary District containers
- Damaged containers being replaced

CMSD STRATEGIC PLAN

YEAR 2005 STRATEGIC PLANNING ACTION ITEMS

Mr. Hamers reported an updated Strategic Plan Action Items list was included in the Board packet.

Mr. Fauth reported he and Ms. Bjornson have been working with the Springbrook software and corrected a few data collection processes.

Mr. Fauth reported he authorized Springbrook to modify the software to perform a global update for purposed of rate modification.

NEW DISTRICT HEADQUARTERS

BUILDING AND GROUNDS AD HOC COMMITTEE

Mr. Hamers requested the Building and Grounds Ad Hoc Committee set an additional meeting to review the landscape plan and placement of flag pole.

The Building and Grounds Ad Hoc Committee set a meeting of 10:00 a.m. on Monday, July 18, 2005.

Mr. Fauth provided the landscape plan for the Board's review.

VISIT FROM HOME GARDENS SANITARY DISTRICT

Mr. Burns presented a thank you note from Ms. Janey Gress, Home Gardens Sanitary District. Ms. Gress had expressed interest in touring the Costa Mesa Sanitary District to garner ideas for the remodel of their own facility. Mr. Fauth provided a tour of the facility along with a contact information list.



RESPONSE FROM CR&R ON TRASH COLLECTION RATES

Mr. Burns reported leaving a telephone message for Mr. Ronnenberg of CR&R requesting his response to the District regarding trash collection rates.

RECYCLING REPORTS

WASTE DIVERSION REPORT – JUNE 2005

Ms. Revak presented the Waste Diversion Reports for June 2005 showing a 50.93% diversion rate.

CONTRACT PAYMENT TO CR TRANSFER FOR RECYCLING SERVICES AND DISPOSAL

PAYMENT FOR MAY 2005 SERVICES

Director Schafer motioned to ratify contract payment in the amount of \$189,845.43 to CR Transfer for recycling services and disposal for the month of May 2005. Director Perry seconded. Motion carried 5-0.

PAYMENT FOR JUNE 2005 SERVICES

Ms. Revak reported the contract payment for June is still being reconciled.

Director Perry motioned to ratify contract payment CR Transfer for recycling services and disposal for the month of June 2005, subject to verification by Staff. Director Woodside seconded. Motion carried 5-0.

Director Worthington requested a comparison of tonnage increase percentage by route.

Mr. Fauth reported tracking by route of previous weight tickets would be very labor intensive. CR&R has begun tracking tonnage by route and the information will become available in the near future.



JOINT MEETING WITH MIDWAY CITY SANITARY DISTRICT (MCSD) AT CMSD HEADQUARTERS

Ms. Revak reported receiving communication from Midway City stating the suggested dates provided by CMSD would not work for them. Midway City provided a list of possible dates for the District to consider. Two meeting dates were determined acceptable to the Board: First choice of November 17, 2005 at 6:00 p.m. and a backup date of October 20, 2005 6:00 p.m.

Directors with items for the agenda will contact Mr. Hamers.

Director Schafer requested the September Regular CMSD meeting date be changed to Wednesday, September 14, 2005 at 6:00 p.m., which the Board so directed.

RECYCLING COMMITTEE – FRIDAY, JULY 11, 2005 - 12:00 P.M., CMSD BOARDROOM, 628 W. 19TH STREET, COSTA MESA, DIRECTORS WOODSIDE AND FERRYMAN

The Recycling Committee meeting was postponed to later in the month.

RECYCLING COMMITTEE GOALS FOR 2005/2006

TOUR OF CR TRANSFER AND OC LANDFILL

Mr. Fauth reported two tours are scheduled for CR Transfer and the OC Landfill.

Discussion was held regarding insurance coverage for transportation of visitors on the tours.

Director Worthington suggested providing snacks and drinks for the participants.

NON-PROFIT GROUP RECYCLING PROJECTS

Nothing reported due to postponement of Recycling Committee meeting.



LARGE ITEM COLLECTION 2005

Ms. Revak reported the Large Item Collection program began June 13, 2005 and will run until August 26, 2005. As of July 1, 2005, 120.25 tons were landfilled at a total cost of \$2,645.28. Recyclable White Goods collected during this period totaled 38.27 tons, for a credit of \$4,170.67 amounting to a net credit to date of \$1,525.39.

A check from Costa Mesa Disposal for \$3,766.27 was received for White Goods for the 2004 program.

COOPERATIVE DISTRICT/CITY OF COSTA MESA HHW ADVERTISEMENT

Nothing reported due to postponement of Recycling Committee meeting.

ENGINEER'S REPORTS

WASTE DISCHARGE REQUIREMENTS – (WDR)

GENERAL UPDATE

Mr. Burns reported the WDR General Group Committee has voted to have the WDR Attorney Group re-form to monitor Coastkeeper v. Garden Grove Sanitary District. Mr. Burns provided a brief report to the Board regarding the Committee's intended actions.

Mr. Hamers reported the last of the three deliverables will be sent to the Water Quality Control Board next week.

GREASE CONTROL PROGRAM DEVELOPMENT PROJECT No. 174

PROGRAM IMPLEMENTATION EEC

Mr. Hamers reported the program is coming along well.

USE OF OCHCA INSPECTORS

Mr. Hamers reported the agreement with OCHCA is still being finalized.



CONSIDERATION OF CHARGES TO FOOD SERVICE ESTABLISHMENTS

Mr. Hamers reported final charge amounts will be determined at the August meeting.

PROPOSED DEVELOPMENT AT 1901 NEWPORT BOULEVARD, EXCESS SEWER FLOWS

Mr. Hamers had no update to report to the Board.

PROJECT #175 – OCSD COOPERATIVE PROJECTS GRANT – TELEVISIONING OF CMSD SEWER LINES

Mr. Hamers provided a report on the OCSD Cooperative Projects Grant – Televisioning CMSD Sewer Lines. Mr. Hamers reported the District piggybacked on the recent City of Fullerton RFP, then negotiated directly with National Plant Services, Inc. for a favorable price. Mr. Hamers reported that according to a legal opinion from the CMSD General Counsel, cleaning, televising and other maintenance and investigative work need not be bid. Mr. Hamers recommended the contract be awarded to National Plant Services.

Director Perry motioned to approve and execute the agreement subject to Mr. Burns' review and approval of the agreement. Director Schafer seconded. Motion carried 5-0.

2004-2005 AND 2005-2006 CAPITAL IMPROVEMENT PROGRAM

Mr. Hamers provided an outline of the 2004-2005 and 2005-2006 Capital Improvement Program.

Mr. Hamers requested the Board approve the appropriations of the projects subject to the Board approval of the independent engineer's review.

Director Perry motioned to approve the 2004-2005 Capital Improvement Budget subject to the approval of the independent engineer's review. Director Schafer seconded. Motion carried 5-0.

Director Perry motioned to approve the 2005-2006 Capital Improvement Budget subject to the approval of the independent engineer's review. Director Schafer seconded. Motion carried 5-0.



COMPENSATION ADJUSTMENT FOR MANAGER/DISTRICT ENGINEER

The Board recommended a compensation increase for Manager/District Engineer in two categories as follows:

	Current Rate	Proposed Rate
Management	\$80/hr	\$82.40/hr
Engineering	\$80/hr	\$80/hr
Draftsman	\$60/hr	\$60/hr
Inspector	\$55/hr	\$55/hr
Retainer	\$1,300/mo	\$1,339/mo.
2-man survey crew	\$185/hr	\$185.hr

Director Woodside motioned to approve the compensation adjustment for Management to \$82.40 per hour and the retainer to \$1,339 per month. Director Perry seconded. Motion carried 5-0.

TREASURER'S REPORTS

RESOLUTION No. 2005-710 – 2005-2006 STATEMENT OF INVESTMENT POLICY

Ms. Davis presented Resolution No. 2005-710 A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT, ADOPTING THE 2005-2006 STATEMENT OF INVESTMENT POLICY, AND AUTHORIZING THE TREASURER TO INVEST AND REINVEST IDLE MONIES OF THE COSTA MESA SANITARY DISTRICT IN ACCORDANCE WITH THE 2005-2006 STATEMENT OF INVESTMENT POLICY, AND AUTHORIZING THE SAID TREASURER TO DELEGATE TO A DEPUTY THE CARRYING OUT OF ANY SUCH TASKS.

Director Schafer motioned to adopt Resolution No. 2005-710 – 2005-2006 Statement of Investment Policy. Director Woodside seconded. Motion carried 5-0.



CMSD AUDITED FINANCIAL REPORT FOR FISCAL YEAR ENDED 2003-04

Ms. Davis provided a copy of the CMSD Audited Financial Report for Fiscal Year Ended 2003-04 to the Board. The District received a clean audit opinion and no management letter comments.

Director Schafer motioned to accept the report. Director Woodside seconded. Motion carried 5-0.

PROPERTY TAX SHIFT

Ms. Davis provided a report on the Property Tax Shift. Ms. Davis stated the District had a larger reallocation of funds from the Property Tax than originally anticipated. Ms. Davis reported she will anticipate the same percentage for the 2005-06 fiscal year.

ATTORNEY'S REPORTS

CITY/DISTRICT OPERATING AGREEMENT

Mr. Hamers reported meeting as directed by the Board with Mr. Fauth and Costa Mesa City Manager Allan Roeder.

Mr. Hamers provided a brief update on that meeting, reporting Mr. Roeder expressed that he was ready to approve the agreement upon consensus of the indemnification issue.

Discussion was held.

Board directed Staff to prepare a memo to SDRMA in addition to a telephone conversation regarding acceptable terms of liability.

COSTA MESA DISPOSAL AND CR TRANSFER CONSOLIDATED AGREEMENT

Mr. Burns reported he has not yet received a response from CR Transfer.



PREVAILING WAGE RULING

Mr. Burns presented a report on the new ruling of the Director of the Department of Industrial Relations establishing that street sweeper work is not subject to the prevailing wage laws. Mr. Burns reported this may impact the District with regard to sewer cleaning.

LOCAL MEETINGS

ORANGE COUNTY SANITATION DISTRICT (OCSD)

REGULAR MEETING – JUNE 22, 2005 (DIRECTOR FERRYMAN)

Director Ferryman attended the OCSD meeting and reported the following:

- Steve Anderson elected Chairman
- Director Ferryman elected Vice Chairman
- RFQ for legal services

SANTA ANA RIVER FLOOD PROTECTION AGENCY

FULL AGENCY MEETING – JUNE 23, 2005 (DIRECTOR PERRY)

Director Perry was unable to attend the meeting. Director Ferryman attended the meeting and reported the following:

- \$42 million for Prado Dam
- Jerry Lewis recommending funds to repair Seven Oaks
- Directors Perry and Ferryman reelected to Executive Committee
- Jim Wahner elected as Chairman

DUES FOR FISCAL YEAR 2005-2006 IN THE AMOUNT OF \$1,400

President Ferryman motioned to approve \$1,400 for Santa Ana River Flood Protection Agency dues for 2005-06. Director Woodside seconded. Motion carried 5-0.



INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

QUARTERLY MEETING – THURSDAY, JUNE 30, 2005

Director Schafer attended the meeting on June 30, 2005 and reported Joyce Crosthwaite, LAFCO Executive Officer was the guest speaker.

**INDEPENDENT SPECIAL DISTRICTS LAFCO COST ALLOCATION – CMSD
RESOLUTION No. 2005-711, APPROVING AN ALTERNATIVE FORMULA FOR
DISTRIBUTING LAFCO FEES AMONG THE INDEPENDENT SPECIAL DISTRICTS IN
ORANGE COUNTY**

Director Schafer introduced Resolution No. 2005-711, A RESOLUTION OF THE BOARD OF DIRECTORS OF THE COSTA MESA SANITARY DISTRICT APPROVING AN ALTERNATIVE FORMULA FOR DISTRIBUTING LAFCO FEES AMONG THE INDEPENDENT SPECIAL DISTRICTS IN ORANGE COUNTY.

Director Schafer reported CMSD would pay \$11,781.73 (5.6 percent).

Director Perry motioned to adopt Resolution No. 2005-711, Approving an Alternative Formula for Distributing LAFCO Fees Among the Independent Special Districts in Orange County. Director Schafer seconded. Motion carried 5-0.

**CALIFORNIA ASSOCIATION OF SANITATION AGENCIES (CASA) ANNUAL CONFERENCE –
AUGUST 17-20, 2005 MISSION BAY HILTON, SAN DIEGO CALIFORNIA**

Director Ferryman motioned to approve attendance at the August 17-20 CASA Annual Conference for Directors Schafer, Worthington, and Perry. Director Woodside seconded. Motion carried 5-0.

LOCAL AGENCY FORMATION COMMISSION (LAFCO)

Director Schafer attended the June 8, 2005, LAFCO meeting and reported the following:

- Strategic Plan update
- Review of Rancho Santa Margarita incorporation
- South County/Rancho Mission Viejo MSR update
- Tonner Hills annexation to City of Brea



The next LAFCO meeting will be held on July 13 discussing a Rancho Mission Viejo update.

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

Director Schafer attended the June 16-17, 2005, CSDA meeting and reported they discussed the following:

- Update on Ortiz bill
- Annual Conference September 26-29 in Long Beach at the Westin Hotel

MEETINGS OF: COSTA MESA CITY COUNCIL, OCCOG, WACO, CHAMBER OF COMMERCE

WACO

Director Schafer attended the WACO meeting on July 8, 2005 and reported the following:

- Discussed formula for Special Districts

Chamber of Commerce

Director Schafer attended the Chamber of Commerce meeting and reported they provided updates on events in the area. Director Schafer provided materials for the Board's perusal.

OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

There was no new business discussed.

ORAL COMMUNICATIONS AND DIRECTOR COMMENTS

There were no Director's Comments.



ADJOURNMENT

At 7:53 p.m., President Ferryman adjourned the meeting.

SECRETARY

PRESIDENT